SUSTAINABILITY

A holistic approach

by Steve Weir

For the poor, sustainability doesn’t come in categories. Eviction from a flood-prone riverbank pushes a family into a relocation settlement where the transportation costs to and from employment opportunities are as unsustainable as the loans required to once again rebuild a temporary shelter.

Increasingly, Habitat for Humanity’s sustainable development philosophy is reflecting a more holistic approach to our programs. To understand and appreciate the breadth of this approach across our ministry, this issue of The Forum provides examples of Habitat for Humanity programs that incorporate environmental sustainability, family and community sustainability, and financial sustainability.

Incorporating all of these elements, we are also changing our view of organizational sustainability to better align with the industry view that balances measurements of financial and operational sustainability with a programmatic value-chain perspective, increasingly measured by social performance indicators.

As these sustainability strategies emerge and adapt from program to program, so too do the definitions used within the Habitat family. Regardless of the terminology or definition, however, a holistic approach would inevitably include three critical program areas if we are viewing sustainability through a shelter lens.

Environmentally sustainable building

Habitat for Humanity supports efforts by the global community to create common carbon measurements for environmentally sustainable building, with a particular focus on promoting healthy, durable, affordable housing. We are working with the board of directors to develop global environmental and sustainable building principles that better articulate Habitat’s shared concern for a pro-poor, inclusive agenda.

These guidelines will measure sustainable building through energy efficiency, sustainable building practices, affordability in both initial and life cycle costs, and designs that are adapted for the effects of climate change and environmental degradation.

You will find in this issue an article on a pilot project in Romania integrating both environmental and financial sustainability.

Family and community sustainability

Affordable building design solutions are key criteria for families who can least afford the monthly costs of sophisticated technology, escalating energy costs and environmental conditions that compromise the health of their children. But family and community sustainability is more complex than appropriate building technology.

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Sustainability: A holistic approach
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Habitat has begun to test impact measurements aligned with the Sustainable Livelihood Framework, which suggests that sustainability can be measured by the increase in family and community assets that in turn reduce their vulnerability to sudden economic shocks from the outside. This approach encourages viewing housing as a productive asset, not just a shelter product. Social networks and proximity to employment are critical to successful housing strategies.

THE CHANGES IN OUR APPROACH TO SUSTAINABLE DEVELOPMENT ARE RAISING QUESTIONS WITHIN HABITAT. WITH WHOM SHOULD WE PARTNER, AND HOW, WHEN WE ARE ONLY PART OF THE HOUSING PROCESS? HOW DOES THIS CHANGE OUR HABITAT BRAND?

In this issue, you will read articles describing sustainable housing solutions for families through an incremental approach in the Latin America/Caribbean area, findings on community and family sustainability for families affected by the 2004 Indian Ocean tsunami, and the impact of the housing crisis on the sustainability of communities in the United States.

Organizational and financial sustainability
Habitat has recently developed an organizational sustainability process that starts with microfinance tools to measure the subsidy required to run each “business” or ministry unit: housing finance, construction, training, volunteer and community mobilization or advocacy. Integrated with a value chain analysis, this process then examines holistically the programmatic sustainability and subsidy strategy. The resulting workshop promotes smart subsidy allocations that leverage program impact by filling gaps in the value chain. We do not need to replicate what is already being done well by others.

It moves us from producing a product to promoting a demand-driven process that results in housing improvements selected by the family. It does not serve the poor to have highly efficient programs headed in the wrong direction. We need not be the builder or lender of record when all that is missing is a formal land title, construction technical assistance, support in accessing government housing subsidies, or guaranteed funds to financial institutions for families without formal salaries.

Approaches like this are taking hold throughout Habitat. Examples from Nepal, Kyrgyzstan, Peru and Philippines are in this issue.

The changes in our approach to sustainable development are raising questions within Habitat. With whom should we partner, and how, when we are only part of the housing process? How does this change our Habitat brand? Are there any programs that make us uniquely “Habitat” that should not be compromised? How do we articulate a global environmental sustainability message in a political environment that disagrees on climate change?

It is my hope that this issue of The Forum can continue the global discussion on these important points.

Steve Weir is vice president of Global Program Development and Support at Habitat for Humanity International.
Financial sustainability: A pathway to lasting, dependable access

By Patrick Kelley

The eight-foot sheet of tin, strapped to the back of a bike with old tire scraps, spans the width of this side street in Manila, Philippines. Marcos, a bicycle taxi operator, pedals carefully, protecting his cargo as he navigates traffic.

Marcos moved here from his home on the island of Palawan two years ago and lives with his pregnant wife and 3-year-old daughter in an informal settlement shelter on government land along the Pasig River.

The tin sheet, reclaimed after being rejected by commercial builders, is for their small makeshift home. Marcos and his wife paid the previous occupant for the right of possession, with the goal of improving the dwelling's roof before their family grows to four at the beginning of the rainy season. The tin sheet is the third, leaving just five more and some structural timber to begin the improvement in earnest. They plan to aggregate their savings and take out a loan to complete the project before the rainy season begins.

Although Marcos’ family is fictional, their story is all too real. This road to improved shelter is common in low-income countries. Formal housing—built by a developer and financed by a formal bank mortgage—is rare, accessible only by the highest-income earners. Nearly everybody else acquires shelter informally—a process pursued over many years.

From building to enabling

The desire to help families navigate this “housing process” led many Habitat programs to expand from building houses to providing programs that address specific constraints in the housing value chain. Habitat’s housing microfinance programs emerge from this idea, addressing one of the most persistent challenges families face in acquiring adequate shelter: how to get access to appropriate housing finance services. To provide dependable, ongoing services to families in a way that reaches meaningful scale, a program has to be financially sustainable.

Financial sustainability: The big idea

Financial sustainability is often under-imagined. It too easily becomes the burden of balancing budgets, reducing costs and collecting past housing loans. Though those tasks may have a role, they can distract from the big idea: program design.

Creative program design is the main driver of financial sustainability, and that requires imagination. Imaginative solutions usually start with an intimate understanding of the challenges, needs and price points at which people are willing to pay for housing solutions they prioritize.

Financially sustainable programs may end up looking very different than assumed. One of the most promising paths to financial sustainability for Habitat is through innovative local partnerships with stakeholders—governments, private-sector suppliers, financial institutions and community-based organizations—that may do some aspect of housing more efficiently than we do. Financial sustainability also points toward the use of “smart subsidy,” which may require spending less money directly on families’ housing solutions, and more on setting up a system that will serve their communities for the long run.

Those long-term considerations are what make financial sustainability important. A financially sustainable program provides consistent, ongoing and reliable services to a community. The community can rely on those services without worrying about ebbs and flows of donor giving. That is important, so that families can access those services when they are needed most.

Following are a few examples of Habitat programs emphasizing scale and replicability through financial sustainability.

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Renovations and condo upgrades in Kyrgyzstan

The program in Kyrgyzstan began as a pilot in 2007. It is executed in partnership with a local microfinance institution called Kompanion. The project offers five-year loans of up to $5,000 for low-income families to complete unfinished houses and renovate flats.

Habitat Kyrgyzstan provides families with housing support services, which includes technical assistance in project design and material selection, in addition to the selection of contractors. Kompanion acts as the intermediary for the financial services.

Applying the lessons learned from the pilot and the results of market research, Habitat Kyrgyzstan plans to scale existing projects to provide affordable loans to condominium associations that have partnerships with financial institutions and those that are incorporating innovative guarantee mechanisms and savings. This is commonly referred to as metafinancing, in which a community bands together to finance a project that is not owned by any one family (e.g., a green space, a sewage system, or in the case of the former Soviet States, external structures).

The project aims to provide loans to condominium associations to improve deteriorating common areas in the Soviet-style buildings and create self-sustainable associations that will continue maintenance of the condominiums.

To date, nearly 2,000 families—10,000 individuals—have benefited from this project.

Financial and environmental sustainability in Nepal

In Nepal, as in many parts of the world, low-income families are generally excluded from housing finance by formal financial institutions. That is beginning to change in three southeast districts, where Jeevan Bikas Samaj, a local partner of HFH Nepal, has been playing a vital role in addressing poverty-related issues through sustainable microfinance and social enterprise.

HFH Nepal initiated housing microfinance specifically incorporating sustainable building through the use of locally available, environmentally friendly construction materials. Production of these materials provides housing-related income-generation activities. This innovation attracted Jeevan Bikas. Habitat for Humanity provided initial seed capital of 7 million Nepalese rupees,
which Jeevan Bikas leveraged to make loans for home construction for very low-income families, using Habitat technology.

The success of this initial effort compelled Jeevan Bikas to help more low-income families improve their housing without being solely dependent on funds from HFH Nepal. Jeevan Bikas is supporting almost double the number of families (942) with housing solutions through an additional 11 million rupees borrowed from a variety of sources, including savings deposits, commercial and social investors, and lenders.

By diversifying its funding, Jeevan Bikas ensures it can meet the needs of its customers and continue its poverty-reduction mission. Habitat continues to provide the home partners with technical assistance in construction.

When housing technology is synchronized with the practices of housing microfinance, affordable housing for the poor can be achieved more quickly.

Housing microfinance for low-income families in Peru

In Peru, the Multilateral Investment Fund and HFHI designed a project that aims to improve the housing conditions of 2,100 low-income families by increasing access to microfinance and construction services for home improvements.

Pilot projects are being conducted by four microfinance institutions, including Microfinanzas Prisma. A testimonial from their first client, Katia Chumpitas, sheds light on the positive impact the project is having.

“I have been looking for a way to build my house for months, but my limited income hasn’t allowed me to,” Chumpitas said.

Chumpitas applied to Microfinanzas Prisma and was approved for a 13-month loan of 3,000 soles (approximately US$1,000) to build the foundation and walls.

“At the beginning I had only considered putting a fence around my small lot,” Chumpitas said. “But with the help of Prisma’s construction adviser, I could progressively build my house. My idea is to pay my loan early and continue with the roof and the floor. Now I am sure that with Prisma’s and Habitat’s help combined with my effort, I will be able to have my own house.”

By working with four indigenous partner institutions, the HFH Peru program aims to catalyze lasting service availability to communities in need there.

Patrick Kelley is Director of International Housing Finance for HFHI, based in Atlanta. In this role he coordinates global strategies to expand the poor’s access to financial services for housing.
As part of a 2009-10 review of Habitat for Humanity’s response to the 2004 Indian Ocean tsunami, an international design and engineering firm conducted a study of community and family sustainability in selected project sites in India, Indonesia, Sri Lanka and Thailand. The purpose was to gauge Habitat’s contribution to the sustainable development of communities, as well as the resilience of partner families’ livelihoods.

The tsunami review by Ove Arup & Partners provided opportunities for assessing the outcomes of several relocated communities. Though they are not comprehensive, the findings illustrate the difficulties of supporting families with the means to construct sustainable livelihoods in a new setting.

The Arup study showed that improved housing provided by Habitat was linked to health benefits and a higher standard of living. Overall, Habitat’s community-based disaster management approach, with its strong focus on partner family participation and fairness in family selection, was seen as enhancing community cohesion and cooperation. These findings were true of relocated communities as well as those that were able to rebuild on location.

In its tsunami work, Habitat focused on community-based disaster management and disaster-resistant construction. Habitat depended largely on nongovernmental organizations and government partners to develop water, sanitation and electric systems; roads and transportation; and access to markets, schools and health facilities. In project sites where these elements came together in a timely and synergistic way, our partner families were better able to rebuild on location.

Where infrastructure and utilities were lacking, sustainability was hampered. In some relocated communities, Habitat finished construction of houses long before utilities and transportation links were available. Affected families faced hard decisions, including whether to send children away to live with relatives so they could attend school and whether to send a family member out to seek work in other locations.

The decision to relocate homes or build on site is complex. Although the Arup study pointed out that rebuilding on site in some locations may have left families vulnerable to climate change, including storms and rising sea level, the tsunami review also showed that relocation presented families with other challenges, including some that were hard to anticipate.

In a relocation site outside the southern coastal city of Galle, Sri Lanka, women of the community told a Habitat peer review team that...
when they had lived close to the sea, they contributed to the family earnings by repairing fishing nets and marketing the catch. Though they greatly valued having new houses in a safer location, they saw a downside in having fewer employment options and having to pay for transportation to access services.

Poor and vulnerable populations often face permanent relocation after a disaster, conflict or a large infrastructure development project such as construction of a dam. Even short-term displacement is disruptive, but resettlement can tear apart communities and leave families without the assets they need for sustainable livelihoods.

Habitat for Humanity’s tsunami experience reinforces the rule of thumb in disaster response, which is to “limit relocation to what is essential for safety.”

Kathryn Reid is a global disaster response specialist with Habitat for Humanity.

1 “Responding to earthquakes 2008: Learning from earthquake relief and recovery operations” from Active Learning Network for Accountability and Performance in Humanitarian Action (ALNAP) and ProVention Consortium: www.alnap.org/pool/files/ALNAPLessonsEarthquakes.pdf
A
ccess to adequate shelter is vital to every human being. Yet more than 2.1 billion people in the world live in poverty housing. While the need is clear, affordable and sustainable solutions are not so clear. According to the U.N. Centre for Human Settlements, 21 million new housing units are required annually to accommodate the growth in the number of households.

In Europe and Central Asia, Habitat for Humanity has been trying innovative ways to find sustainable and low-cost housing solutions. Two years ago, Habitat started collaborating with the ArcelorMittal Foundation, a charitable arm of the world’s leading steelmaker. It resulted in a partnership that includes direct financial contributions to Habitat, volunteer opportunities for ArcelorMittal employees and development of a light steel housing solution matching Habitat requirements of a simple, decent home.

The first steel house was developed in Romania, with the goal of applying the model to Habitat projects worldwide over time.

In 2008, the Casa Buna model (translated as “Good House”) was created after three months of development. It was made of a light, steel-frame structure, with a prepainted, steel roof tile system, steel rainwater extraction system and steel cladding made of prepainted, roll-formed parts. It was constructed at the ArcelorMittal facility in Bucharest.

In the summer of 2009, construction of the first steel houses started in Bacău county in northeastern Romania.
Twelve families joined Romanian and international volunteers to build the three units, each with four apartments. The families moved into their homes in May 2010.

The steel frames last longer than other similarly priced materials and can also be easily deconstructed when needed. Once disassembled, almost all of the materials can be recycled. Additionally, the lighter structures have smaller foundations, which reduces the amount of concrete required.

The model has been designed for energy efficiency and carefully assessed to ensure family comfort and adequate living space. It is also earthquake- and hurricane-resistant and complies with European fire resistance standards. Finally, all house elements are easily transportable as a “flat pack” construction kit to allow other Habitat for Humanity projects to benefit from this innovative technology.

Affordability is another important issue. Most of the materials used in the construction were less expensive than traditional materials. And the steel provides better climate control, which helps families manage the rising costs of energy during the cold winters and hot summers.

ArcelorMittal and Habitat for Humanity Romania hope to export an adapted model of Casa Buna or similar low-cost steel housing solutions to other Habitat for Humanity programs. The goal is to build more durable homes using steel structures and roofing in countries that are prone to earthquakes and hurricanes, and to train communities in safer construction practices.

Mona Prisacariu is the resource development and communications director for Habitat for Humanity Romania.
Surviving—and thriving—in hard times

By Stephen Seidel

“\[The most severe economic downturn since the Great Depression.\] Perhaps you’ve heard about it? It’s been in all the papers.

Sustaining our work through the current recession in the United States has been especially poignant for Habitat for Humanity, since the cause of this downturn was not an oil shortage caused by foreign cartels or the painful medicine necessary to tame runaway inflation.

No, the root cause of this economic contraction was in the housing industry, with too many families buying homes with financing terms they couldn’t afford, triggering defaults, foreclosures and a meltdown in the global financial system.

It is taking a great deal of creativity to navigate successfully through this economic crisis—for households and organizations alike. Foremost among Habitat’s navigational strategies has been diversification. In much the same way a personal financial planner encourages clients to spread their investment dollars across a number of asset classes, Habitat programs across the globe have been expanding their menu of programs and services. This makes it possible for local Habitat affiliates to be more flexible and responsive in meeting the needs of the communities they serve.

In the United States, Habitat for Humanity International has launched the Neighborhood Revitalization Initiative. Through NRI, affiliates are receiving support to provide a more comprehensive array of services and programs:

• Construction of new, energy-efficient homes.
• Acquisition and rehabilitation of foreclosed and abandoned homes.
• Critical repairs to homes currently owned and occupied by low-income families.
• Performing exterior repair and maintenance through A Brush with Kindness.
• Energy improvements and weatherization services.
• Homeownership education, counseling and policy advocacy.

Through this expanded set of services, Habitat affiliates in the United States are able to tailor their programs more effectively to the needs of the communities they serve. And by maintaining and enhancing their responsiveness to their communities, Habitat affiliates have increased their prospects for surviving these trying times.

It is essential for Habitat to step up in this way, since the housing conditions of so many communities have taken a severe hit during this economic downturn. Many cities and towns are hurting, and the pain has spread beyond the foreclosure crisis. Unemployment is high; elementary and secondary schools are struggling; and municipalities have to devise new solutions to meet the demands on their public safety, social service and infrastructure systems.

To respond to this extensive set of challenges, the generous support of Thrivent Financial for Lutherans is helping a couple of Habitat affiliates take on an even more ambitious agenda. For the past two years, Habitat affiliates in Milwaukee, Wisconsin, and Des Moines, Iowa, have been participating in coalitions consisting of more than a dozen community-based organizations.

The Thrivent Builds Neighborhoods program is investing $1 million in each of these communities to facilitate the implementation of comprehensive plans to stabilize selected neighborhoods in each city. These plans...
integrate a range of housing initiatives, job training and youth programs, and other social service initiatives into coordinated, strategic efforts to fulfill communities’ visions for the future.

This sort of long-range planning and coordination among multiple community-based organizations is a vital ingredient to enhancing the sustainability of communities hit hard by the recession, and Milwaukee and Des Moines are demonstrating the effectiveness of the approach. Each dollar from Thrivent Builds Neighborhoods invested in these communities is leveraging an additional $20 from other private and public sources.

The lessons learned from the Thrivent Builds Neighborhoods experiences in Milwaukee and Des Moines are informing the plans taking shape for the broader Neighborhood Revitalization Initiative. The strategies of NRI are to:

- Expand the range of programs and services provided by Habitat affiliates.
- Align affiliate activities with the efforts of other community-based organizations to achieve a community’s vision.
- Incorporate a rigorous monitoring and evaluation component to track the effectiveness of these plans.

HFHI has contracted with the Success Measures program of NeighborWorks USA to assess the extent to which the aspirations of the community are being reached. Staff members from HFHI’s Global Programs Division and the U.S. area office are being trained to support each NRI affiliate to implement the Success Measures evaluation system—the most extensive commitment to outcome evaluation in Habitat’s history.

More than 160 U.S. affiliates have submitted letters of interest in being part of Habitat’s NRI program. Also, these strategies have formed the basis of successful funding appeals to the U.S. Department of Housing and Urban Development, the Citi Foundation and the Wells Fargo Housing Foundation.

Although the U.S. economic recovery is under way, conditions will remain challenging for some time. But by expanding their menu of services, collaborating with other organizations to align their efforts to fulfill the community’s vision and rigorously evaluating the impact of their efforts, Habitat affiliates in the United States stand a far better chance of sustaining themselves—and helping their communities achieve greater sustainability in the process.

Stephen Seidel is HFHI’s senior director of global program design and implementation.
ENVIROMENTAL AND FINANCIAL SUSTAINABILITY

Protecting the environment and the livelihoods of families served:

A case study from Ethiopia

By Carl Queiros and Jeanette Clark

Mohamed Eshetu dreams of a better future for his children. His daughter Hikmet, 11, is in fifth grade in Kombolcha, Ethiopia, and dreams of becoming a doctor one day. Her favorite subject is Amharic. Her brother Mubarak, 9, in grade three, loves going to school and playing with his friends.

Little more than six months ago, Eshetu's dreams for his children seemed very difficult to achieve. Working in construction for a contractor in town, he would earn about 400 birr (about US$35 per month). The only accommodation he could afford was a 3-by-4-meter room (about 10 by 13 feet) for their whole family of five, for which he paid 100 birr per month.

Of the 300 birr he had left per month, more than half went toward energy costs, split between a little charcoal that they use for coffee ceremonies and the rest for firewood that he and his wife, Zehara, buy from local merchants.

In Ethiopia, the majority of the population depends on wood as a source of energy and fuel. Mohamed and his wife could not sustain their livelihood under these circumstances.

In a 1992 study titled "Sustainable Rural Livelihoods: Practical Concepts for the 21st Century," Robert Chambers and Gordon Conway define a sustainable livelihood as one that "can cope with and recover from stress and shocks, maintain or enhance its capabilities and assets, and provide sustainable livelihood opportunities for the next generation."

In "Sustainable Rural Livelihoods: A Framework for Analysis" (1998), Ian Scoones adds that a livelihood is sustainable only if it is not undermining the natural resource base.

The current situation in Ethiopia highlights several issues related to sustainability.

First, for the poor in the developing world, burning wood remains the only viable low-cost energy option, but it has negative effects on the people and on the planet. Inefficient use of firewood is undermining the natural resource base. Deforestation is spreading, which in turn pushes up the cost of wood fuel.

This triggers a cycle in which the increasing expense of energy negates the possibility for sustainable livelihoods.

If a family cannot sustain their monthly expenditure and never reaches a level of economic stability—where they can save for the future or invest in their children's education—they remain trapped in the poverty cycle.

Although the livelihoods of our partner families have always been a consideration in Habitat for Humanity programs, the focus on sustainable livelihoods is relatively new.

Chambers and Conway's definition speaks to "capabilities" and "assets."

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These include:

- Human capital: skills and knowledge of the people themselves.
- Social capital: the ability to draw on support or resources through membership of social groups or social connections.
- Natural capital: resources found in the environment.
- Physical capital: tangible assets such as tools and domestic animals.
- Spiritual capital: religious and spiritual practices, support networks.
- Financial capital: cash, ability to access loans and savings.

In 2008, Habitat for Humanity Ethiopia started to improve the kitchens in homes in Debre Birhan by providing energy-saving stoves as part of its traditional house model. This project has since expanded to other affiliates, including Kombolcha. The cost of the stove is added to construction costs and repaid by the homeowner.

In the northern parts of Ethiopia, communities have been using the stoves for some time, gradually adapting the design. The stoves are produced by local merchants, agricultural bureaus and a couple of nongovernmental organizations in the country. They are produced as four different compartments, made in molds using sand, cement and fine gravel, and then assembled when a home is constructed. The stove is manufactured to have one or more areas where food can be cooked simultaneously with injera, a local flatbread that is the staple food in the country. The stoves reduce wood consumption by 50 percent and the smoke released from the firewood by 60 percent.

Since Zehara has started using the energy-saving stove to cook injera, her family has cut their monthly energy expenses in half, from 45 percent of their disposable monthly income to 22.5 percent. Firewood bought from local merchants who pass by with a cart costs about 30 birr per bundle.

“We are saving money, but the new stove is also safer,” Zehara said. “I would often get burnt, and the smoke was definitely not good for my health.”

With the money saved every month, Mohamed Eshetu’s family now has the opportunity to increase its financial assets.

In the same community, Belete Wassie and his family also use the energy-saving stove. Belete used to struggle every month to make ends meet, but now the money he saves on cooking fuel gives him about 160 birr to repay his Habitat loan faster and build toward owning a physical asset.

The energy-saving stove project also has an impact on the sustainability of the natural resource base in Ethiopia.

“Using the stove reduces the amount of wood needed and thus can reduce the rate of deforestation,” says Yosef Gedamu, program manager for Habitat for Humanity Ethiopia.

According to recent studies, Ethiopia lost an average of 140,900 hectares—more than 348,000 acres—of forest per year between 1990 and 2000.

Habitat for Humanity Ethiopia has distributed stoves in four communities—Kombolcha, Dessie, Debremarkos and Debre Birhan—offering a sustainable alternative to the traditional cook stove and contributing to the preservation of the forest, which helps ensure sustainable livelihoods for the next generation.

Like Eshetu, Wassie wishes for a better future for his children. He hopes the money his family saves can allow them to pursue and succeed in their own careers one day.

Carl Queiros is director of program development at HFHI’s Africa/Middle East area office. Jeanette Clark is communications coordinator for A/ME.

Sources:


Alem Muhye cooks on an energy-saving stove provided by Habitat for Humanity Ethiopia. The stove saves money on fuel, allowing Muhye’s husband, Belete Wassie, to repay his family’s Habitat loan more quickly.
At a housing forum in Costa Rica several years ago, one of the panelists stated, “There was a moment in which we realized that the more houses we build, the more problems we cause.”

The most astonishing part of that statement was that it was made by the president of one of the highest-profile NGOs in Costa Rica, recognized for its success in working for access to adequate housing. What problems could he be referring to?

I anticipated the answer that was later confirmed. The problems did not have to do with technical issues, construction or the quality of housing materials. All these aspects have been well-executed by the organization. He was referring to the problems that arise from housing projects that focus on the technical and financial aspects but ignore the social dynamics that are influenced by these interventions. These dynamics might include internal conflict, violence, passivity, physical deterioration of the neighborhood, housing impoverishment, and a high resident turnover.

These are problems that, as a whole, can substantially affect the functionality of a well-designed housing solution.

“Habitation” is more than a construction methodology. It involves the human and social act of inhabiting: a human being committed in an integral way to his or her identity, relationships, world views, organization and survival. As the philosopher Martin Heidegger put it, “We build because we inhabit; we do not inhabit because we build.”

The habitat is the system that makes life possible—more than a series of objects arranged within a space. Of course, this reflection does not imply that a housing organization should resolve every problem in a community. It does suggest, however, that the manner in which an organization implements a housing program should result in a socially stronger community.

Housing interventions should seek to improve relationships between neighbors, advance knowledge and stimulate the responsible, empowered participation of residents. Housing interventions should help to make feasible connections with outside actors in the housing sector, inspire a commitment to defend the human right to adequate housing, strengthen a sense of societal belonging and promote a shared vision of the future.

These suggestions are not only a question of principles, but also the range, impact and social sustainability of the housing interventions we produce.
What do we mean by “social sustainability”? Let’s look at some examples.

At the completion of eight housing projects in Costa Rica that were carried out with low-income sectors that had received government housing subsidies, four of the projects were deemed successful and four unsuccessful. “Success” was defined by the level of establishment of inhabitants, the grade of satisfaction on the part of the families, proper home maintenance, and improvements made to the houses and community infrastructure once the project had ended.

Appealing to the statistical methods, the study demonstrated that the most successful projects were those with better community organization and more family participation in the different phases of the project—not only in construction. Those projects showed better establishment, better relationships, a higher level of satisfaction, and infrastructure that was well-maintained and continually improved on the initiative of the residents themselves.

No organization, nongovernmental or otherwise, can sustain itself and multiply the reach of its impact for long without community leadership.

The Varjada project in Brazil is an example of Habitat for Humanity’s success at this process. Involving the community leaders in decision-making revealed that, despite other suggested priorities, drinkable water was the most urgent communal need. Moreover, the community as a whole understood that clean water was significant not only for individual quality of life, but also for the women who invested many hours gathering water from long distances.

Once the water issue was addressed, women began to invest time in other activities, such as the production and sale of handmade crafts. This in turn allowed community members to increase their income to improve the quality of their housing, develop professionally and generate a higher self-esteem.

Furthermore, through the marketing of their handmade goods, women in the community organized into an association through which they contribute to the overall improvement and development of the community.

Another example is found in Habitat for Humanity Chile’s work with indigenous Mapuche groups in the Bio-Bio (Araucania) region. The most fundamental challenges of indigenous groups who have emigrated to urban areas are the design, space and distribution of homes and the residents’ adaptation to these urban housing conditions. For example, positioning the windows in relation to the sunrise and sunset is one thing that must be taken into consideration when building the homes, so the Mapuche people will more easily identify with the new housing conditions.

Another challenge faced by Habitat Chile was the integration of newcomers into an existing community. New neighbors, especially if they come from marginalized areas, are often looked down upon. Cases like these—in which the gap is wide because of ethnocultural reasons, prejudice and prior conflict—can increase the risk of well-intentioned housing interventions, leading to unhealthy relationships within the community. The social and economic integration of any newcomer would be affected.

For this reason, Habitat Chile created opportunities for residents to meet the new families to build mutual recognition and form ties of cooperation. During this process, both the residents and new neighbors were able to participate in and appreciate diverse traditional cultures, foods and dances.

The construction designs in these projects coexist in harmony with the existing homes. Thus, the community does not perceive its housing as out of context, contributing to the social sustainability of the project.

A home is not a solution if it does not include a sustainable approach through human and social dynamics. The intervention goes beyond building a house and then living in it. Our housing projects must focus on the relationship between constructing a house and living in a household. It can be the difference between a house and a home.

Eric Solera Mata is Community Development Manager for Habitat’s LAC area office. He holds a Magister Scientiae degree in sociology from the Posgrado Centroamericano en Sociología, (Universidad de Costa Rica) and has 20 years of experience in the development NGO field.
Portfolios of the Poor: How the World’s Poor Live on $2 a Day

By Patrick Kelley

The World Bank estimates that 2.5 billion people—a full 40 percent of the people living on the planet—live on about US$2 a day or less. How do they manage to afford food, education, health expenses, shelter and even personal enrichment?

“Portfolios of the Poor” provides a view of how low-income people manage their money and find surprisingly sophisticated ways of coping. Researchers spent a year visiting families every two weeks, keeping track of the financial diaries of life on less than $2 a day.

An example in their book is that of Hamid and Khadeja in Bangladesh. From Hamid’s rickshaw work and Khadeja’s sewing, they earn about $70 a month.

“You wouldn’t expect them to have much of a financial life, but their balance sheet tells another story,” the authors write. “In savings, the couple keeps $2 at home for daily shortfalls and $30 with Hamid’s parents for safekeeping. They have lent $40 to relatives and invested $76 in life insurance. They have also borrowed $153 from a microfinance institution and owe $24, interest-free, to family, friends and an employer. Finally, Khadeja serves as a ‘moneyguard’ for her neighbors, holding $20 for women who are stashing cash beyond their husbands’ reach. ‘I don’t really like having to deal with other people over money, but if you’re poor, there’s no alternative,’ Khadeja said. ‘We have to do it to survive.’ ”

The book illustrates that one of the most difficult aspects of poverty is not just the lack of income, but its irregularity and variability. Income’s ebbs and flows, combined with the lack of access to formal financial instruments, create a need for some unusual coping mechanisms.

Community-led rotating savings and credit cooperatives, burial societies, neighborhood moneyguards, microfinance loans and systems of extended family borrowing may seem strange to rich world citizens, but “Portfolios of the Poor” shows how they make sense.

The book bridges what is sometimes a divide between rigorous academic analysis and real human insights.

“The intensity of getting to know the characters in the financial diaries informed our perspective on financial behavior as much as our scrutiny of the data we collected,” the authors write. “We and our field team got to know not only which respondents were using what financial devices, but also gained a deeper and more personal understanding of who these people were.”

It’s an informative read for the Habitat for Humanity community for several reasons. First, shelter needs play a prominent role in the lives of those profiled. In fact, housing and property expenditures were either the first or second most common event the poor had to prepare and plan for.

Second, as Habitat strives to develop demand-driven programs, understanding the nuances of the tradeoffs, perceptions of value, price points and coping mechanisms of the poor is critical. “Portfolios of the Poor” provides richly insightful intelligence for the market Habitat wants to serve.

Finally, there is a real Habitat connection. Author Daryl Collins works with Bankable Frontiers, the Boston-based firm whose research on behalf of Habitat led to the report “Capitalizing Housing Finance for the Poor” and the ultimate launch of the MicroBuild Fund.

Patrick Kelley is Director of International Housing Finance for HFHI, based in Atlanta. In this role he coordinates global strategies to expand the poor’s access to financial services for housing.

For an interview with the authors of “Portfolios of the Poor,” visit NPR’s Planet: www.npr.org/blogs/globalpoolofmoney/images/2009/07/podcast070809.mp3